

AMENDED IN SENATE MARCH 31, 2016

**SENATE BILL**

**No. 1360**

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**Introduced by Senator Bates**

February 19, 2016

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An act to amend Section ~~54983~~ 54982 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1360, as amended, Bates. Local ~~government~~. *government: municipal service agreements: law enforcement services.*

Under existing law, the legislative body of any local agency, defined to mean a county, city, city and county, or public district, may contract with any other local agency for the performance by the latter of municipal services or functions within the territory of the ~~former~~, but ~~prohibits the force account limit applicable to the local agency contracting to receive services from being exceeded. Existing law excepts from that prohibition agreements made before January 1, 1981, or the current term of any self-renewing or renewable agreement entered into before that date.~~ *former. Existing law requires any agreement entered into pursuant to this authorization to be for valuable consideration.*

~~This bill would make nonsubstantive changes to that provision.~~

*This bill would require a city that provides law enforcement services through its appropriate departments, boards, commissions, officers, or employees to another city pursuant to a contract or any other agreement to charge that city all the costs that are incurred in providing those law enforcement services, but prohibit the inclusion of any costs that the city providing the services reasonably determines are general overhead costs. The bill would provide that any determination of general overhead*

*costs made by a city providing law enforcement services is subject to judicial review as to the reasonableness of that determination. The bill would apply to contracts or agreements entered into, or renewed, on and after January 1, 2017.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 54982 of the Government Code is*  
2     *amended to read:*

3     54982. (a) Any agreement entered into pursuant to this chapter  
4     shall be for valuable—~~consideration~~ *consideration, except as*  
5     *provided in subdivision (b).*

6     (b) (1) A city that provides law enforcement services through  
7     its appropriate departments, boards, commissions, officers, or  
8     employees to another city pursuant to a contract or any other  
9     agreement authorized by this chapter shall charge that city all the  
10    costs that are incurred in providing those law enforcement services,  
11    but shall not include any costs that the city providing the services  
12    reasonably determines are general overhead costs.

13    (2) For purposes of this section, “general overhead costs”  
14    means those costs that a city would incur regardless of whether  
15    or not it provided law enforcement services pursuant to a contract  
16    or agreement to the other city.

17    (3) Any determination of general overhead costs made by a city  
18    providing law enforcement services shall be subject to judicial  
19    review as to the reasonableness of that determination.

20    (4) This subdivision shall only apply to contracts or agreements  
21    entered into, or renewed, on and after January 1, 2017.

22    ~~SECTION 1. Section 54983 of the Government Code is~~  
23    ~~amended to read:~~

24    ~~54983. Authority for entering into agreements pursuant to this~~  
25    ~~chapter shall be construed as supplementing existing authority for~~  
26    ~~legislative bodies of local agencies to enter into agreements for~~  
27    ~~the providing of municipal services and functions and shall not be~~  
28    ~~construed as authorizing the legislative body of any local agency~~  
29    ~~to enter into an agreement for the providing of municipal services~~  
30    ~~or functions which it is prohibited to provide by law or which~~

1 exceeds the force account limit applicable to the local agency  
2 contracting to receive services.

3 The amendments to this section made by Chapter 398 of the  
4 Statutes of 1980, which become effective January 1, 1981, shall  
5 not apply to any agreement that was made prior to that date nor to  
6 the current term of any self-renewing or renewable agreement that  
7 had been entered into prior to that date.

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